

M/049/021



Construction
General Contracting

P.O. Box 282
Price, Utah 84501
Phone (435) 637-3495
Fax (435) 637-3497

Site Planning
Subdivision Planning
Land Development

Steven Alder
Assistant Attorney General
Natural Resources Division
1594 West North Temple #300
Salt Lake City, Utah 84116
January 12, 2005

RECEIVED

JAN 18 2005

ATTORNEY GENERAL
Natural Resource Division

Dear Steven;

I am writing in regards to the Cherry Hill Park reclamation bill that is outstanding. Steve Powell led me to believe that the money being put into the escrow account was available upon completion of the work. This would include being able to make a draw after part of the work was completed. I know that the agreements and confusion has left everyone in the dark as to the direction to go with this mine. We feel like we have more than stepped to the plate here and have completed more work than will ever be paid for out of the funds put into the account. Our bill is over \$33,000.00 and there is only \$23,000.00 in the account which Steve Powell claims \$4,000.00 is his which leaves only \$19,000.00 to draw from. There is only 6000 tons remaining on site that could be sold which would give us a total of \$25,000.00 to satisfy the \$33,000.00 owed.

We have bonded for 5 of the remaining 10 acres in our mine permit. We agreed at our meeting in your office that our bonding for the remaining 5 acres could satisfy the remaining concerns and that someone from DOGM would go assess the dollar amount needed for the bond. To date we have heard nothing, and the avenue to be paid is still unresolved. I was told on January 11, 2005 that an inspection would have to be made in order to resolve the issue and that it could not be made until the snow melts.

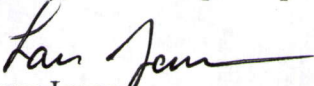
You have also explained to me that it is possible the retained money will have to be kept until the remaining 10 acres have been reclaimed. This is unreasonable and has left me to wonder if we have wasted our time and money solving everyone's problem. We in good faith moved forward with this mess believing that completed work would help resolve all the issues. To date it has not. I have never seen the agreement that you have with Steve Powell nor do I care to. Our claim for the money should be directed to Steve Powell since he hired us to do the work, but we do not want him in the middle of this anymore. We hope that you can offer a resolve that is reasonable. We would like to be paid the majority of the retained monies. We know that full payment for our work is not an option unless you draw on monies in the division that are used to reclaim problem areas.

We have unresolved issues with Utah County that are making it more costly to move ahead. If you couple the costs associated with Utah County and those spelled out in this

letter you can see that it wont take much to make us ask for our bond back and give the mine permit back to DOGM since we have not began any mining operations yet and we will not do any until this is resolved. If the costs are too high, and we cannot be paid for the work done to date we will not invest any more time or money. We will move to a pit in Carbon County and leave the mess in your hands to resolve with the Dan Powell and we will proceed to take legal action to be paid for the work done.

I look forward to hearing from you in the very near future on this issue. You will find enclosed a invoice for the work done to date on the reclamation. Lynn Kunzler and yourself visited the site after the work had been completed. Lynn seemed happy with the work and did not seem to have a problem with accepting it. We were under the impression that if the site needed more inspections done that someone would have arranged for that to occur. We have been caught in the middle of this whole thing trying to work through Steve Powell to get answers and he has not given us the true picture of what you folks had in mind. My frustration level is high and I would appreciate it is you would help see this through.

Thank you for help and please call if you have any questions.



Larry Jensen

Vice President Nelco Contractors Inc.
435-637-3495 Office
435-636-5268 Cell

JOB or LOCATION:

RECLAIM OLD SECTION OF PTT;
ATTN: STEVEN F. ALDER



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INVOICE # 39872

PAGE 1 OF 4

DATE: 1/13/2005

SOLD TO:

State of Utah
Department of Natural Resources
Division of Oil, Gas & Mining
P.O. Box 145801
Salt Lake City, UT 84114-5801

TERMS OF SALE AND PERFORMANCE OF WORK: The herein designated purchaser and/or customer and its duly authorized agent and/or principal agrees to pay the following account at Price, Utah on or before the 10th day of the succeeding calendar month and if not paid when due to pay interest thereon from date hereof at the rate of 1.5% per month both before and after judgement until paid and further agree to pay all court costs, attorney's fees and collection agency commissions incurred in collecting this account, whether or not suit is filed, and understand that such fees and/or commissions might be as much as 50% of the principal balance owing.

DATE	DESCRIPTION	QUANTITY	UM	UNIT PRICE	AMOUNT
8/13/2004	TRANSPORT MOBILIZE -D&L	4	HR	130.00	520.00
8/13/2004	FUEL SURCHARGE	4	HR	2.08	8.32
8/13/2004	PILOT CAR	4	HR	35.00	140.00
8/13/2004	FUEL SURCHARGE	4	HR	1.73	6.92
10/14/2004	FOREMAN	8	HR	42.25	338.00
10/15/2004	FOREMAN	7	HR	42.25	295.75
10/15/2004	CAT D&L DOZER	2	HR	130.00	260.00
10/15/2004	FUEL SURCHARGE	2	HR	3.65	7.30
10/18/2004	TRANSPORT MOBILIZE -D&K	2.5	HR	105.00	262.50
10/18/2000	FUEL SURCHARGE	2.5	HR	2.23	5.58
10/18/2004	PILOT CAR	2.5	HR	35.00	87.50
10/18/2004	FUEL SURCHARGE	2.5	HR	1.73	4.33
10/18/2004	FOREMAN	4	HR	42.25	169.00
10/18/2004	CAT D&L DOZER	8	HR	130.00	1,040.00
10/18/2004	FUEL SURCHARGE	8	HR	3.65	29.20
10/18/2004	OPERATOR	1	HR	27.50	27.50
10/18/2004	PICKUP TRUCK	2	HR	10.00	20.00
10/18/2004	FUEL SURCHARGE	2	HR	1.73	3.46
10/19/2004	FOREMAN	2	HR	42.25	84.50
10/19/2004	CAT D&L DOZER	8.5	HR	130.00	1,105.00
10/19/2004	FUEL SURCHARGE	8.5	HR	3.65	31.03
10/20/2004	CAT D&K DOZER	9	HR	105.00	945.00
10/20/2004	FUEL SURCHARGE	9	HR	4.05	36.45
10/20/2004	CAT D&L DOZER	9	HR	130.00	1,170.00
10/20/2004	FUEL SURCHARGE	9	HR	4.05	36.45
10/20/2004	OPERATOR	2	HR	27.50	55.00
10/20/2004	PICKUP TRUCK	1	DAY	70.00	70.00
10/18/2004	MAPLE LEAF INV#18312	1		1,368.00	1,368.00
10/22/2004	FOREMAN	1	HR	42.25	42.25
10/22/2004	OPERATOR	2	HR	27.50	55.00
10/22/2004	CAT D&L DOZER	8	HR	130.00	1,040.00
Signed By: _____				SUB-TOTAL TAX	

Questions concerning this invoice?
Call: (435) 637-3495

Page 1
MAKE ALL CHECKS PAYABLE TO:
Nelco Contractors, Inc.

PAY THIS AMOUNT

JOB or LOCATION:

RECLAIM OLD SECTION OF PIT;
ATTN: STEVEN F. ALDER



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DATE	DESCRIPTION	QUANTITY	UM	UNIT PRICE	AMOUNT
10/22/2004	FUEL SURCHARGE	8	HR	4.05	32.40
10/22/2004	CAT D8K DOZER	8	HR	105.00	840.00
10/22/2004	FUEL SURCHARGE	8	HR	4.05	32.40
10/25/2004	FOREMAN	4	HR	42.25	169.00
10/25/2004	OPERATOR	3	HR	27.50	82.50
10/25/2004	SKILLED LABOR	9.5	HR	27.50	261.25
10/25/2004	END DUMP	8.5	HR	90.00	765.00
10/25/2004	FUEL SURCHARGE	8.5	HR	2.50	21.25
10/25/2004	CAT D8K DOZER	8	HR	105.00	840.00
10/25/2004	FUEL SURCHARGE	8	HR	4.05	32.40
10/25/2004	CAT 966D LOADER	8	HR	70.00	560.00
10/25/2004	FUEL SURCHARGE	8	HR	4.05	32.40
10/25/2004	CAT D8L DOZER	8	HR	130.00	1,040.00
10/25/2004	FUEL SURCHARGE	8	HR	4.05	32.40
10/26/2004	FOREMAN	4.5	HR	42.25	190.13
10/26/2004	CAT D8L DOZER	8	HR	130.00	1,040.00
10/26/2004	FUEL SURCHARGE	8	HR	4.05	32.40
10/26/2004	TRANSPORT MOBILIZE -L600	3.5	HR	145.00	507.50
10/26/2004	FUEL SURCHARGE	3.5	HR	2.50	8.75
10/26/2004	PILOT CAR	3.5	HR	35.00	122.50
10/26/2004	FUEL SURCHARGE	3.5	HR	1.87	6.55
10/27/2004	FOREMAN	1.5	HR	42.25	63.38
10/27/2004	OPERATOR	3	HR	27.50	82.50
10/27/2004	CAT D8K DOZER	9.5	HR	105.00	997.50
10/27/2004	FUEL SURCHARGE	9.5	HR	4.05	38.48
10/27/2004	CAT D8L DOZER	9.5	HR	130.00	1,235.00
10/27/2004	FUEL SURCHARGE	9.5	HR	4.05	38.48
10/27/2004	KOMATSU 600 LOADER	9.5	HR	145.00	1,377.50
10/27/2004	FUEL SURCHARGE	9.5	HR	4.05	38.48
10/27/2004	PICKUP TRUCK	1	DAY	70.00	70.00
10/28/2004	FOREMAN	1	HR	42.25	42.25
Signed By: _____				SUB-TOTAL TAX	

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DATE	DESCRIPTION	QUANTITY	UM	UNIT PRICE	AMOUNT
11/2/2004	CAT 966D LOADER	3	HR	70.00	210.00
11/2/2004	FUEL SURCHARGE	3	HR	4.05	12.15
11/2/2004	CAT D&L DOZER	9	HR	130.00	1,170.00
11/2/2004	FUEL SURCHARGE	9	HR	4.05	36.45
11/2/2004	PICKUP TRUCK	2	DAY	70.00	140.00
11/2/2004	TRANSPORT MOBILIZE -D&M	2.5	HR	85.00	212.50
11/2/2004	FUEL SURCHARGE	2.5	HR	2.50	6.25
11/3/2004	FOREMAN	4	HR	42.25	169.00
11/3/2004	OPERATOR	1	HR	27.50	27.50
11/3/2004	CAT D&K DOZER	5	HR	105.00	525.00
11/3/2004	FUEL SURCHARGE	5	HR	4.05	20.25
11/3/2004	CAT D&L DOZER	4	HR	130.00	520.00
11/3/2004	FUEL SURCHARGE	4	HR	4.05	16.20
11/3/2004	KOMATSU 600 LOADER	2	HR	145.00	290.00
11/3/2004	FUEL SURCHARGE	2	HR	4.05	8.10
11/3/2004	CAT D&M DOZER	5.5	HR	85.00	467.50
11/3/2004	FUEL SURCHARGE	5.5	HR	4.05	22.28
11/3/2004	TRANSPORT MOBILIZE -EX300	3	HR	120.00	360.00
11/3/2004	FUEL SURCHARGE	3	HR	2.50	7.50
11/3/2004	4-WHEELER W/SPREADER	2.5	HR	20.00	50.00
	MILLER COMPANIES	1		1,187.40	1,187.40
11/4/2004	FOREMAN	9	HR	42.25	380.25
11/4/2004	CAT 14 GRADER	2	HR	105.00	210.00
11/4/2004	FUEL SURCHARGE	2	HR	4.05	8.10
11/4/2004	CAT D&M DOZER	7.5	HR	70.00	525.00
11/4/2004	CAT D&M DOZER	7.5	HR	4.05	30.38
11/4/2004	300 EXCAVATOR	5	HR	120.00	600.00
11/4/2004	FUEL SURCHARGE	5	HR	4.05	20.25
Signed By: _____				SUB-TOTAL	\$34,834.29
				TAX	\$0.00

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Page 4
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\$33,708.90
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11/2/2004	FUEL SURCHARGE	3	HR	4.05	12.15
11/2/2004	CAT D&L DOZER	9	HR	130.00	1,170.00
11/2/2004	FUEL SURCHARGE	9	HR	4.05	36.45
11/2/2004	PICKUP TRUCK	2	DAY	70.00	140.00
11/2/2004	TRANSPORT MOBILIZE -D&M	2.5	HR	85.00	212.50
11/2/2004	FUEL SURCHARGE	2.5	HR	2.50	6.25
11/3/2004	FOREMAN	4	HR	42.25	169.00
11/3/2004	OPERATOR	1	HR	27.50	27.50
11/3/2004	CAT D&K DOZER	5	HR	105.00	525.00
11/3/2004	FUEL SURCHARGE	5	HR	4.05	20.25
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11/3/2004	FUEL SURCHARGE	4	HR	4.05	16.20
11/3/2004	KOMATSU 600 LOADER	2	HR	145.00	290.00
11/3/2004	FUEL SURCHARGE	2	HR	4.05	8.10
11/3/2004	CAT D&M DOZER	5.5	HR	85.00	467.50
11/3/2004	FUEL SURCHARGE	5.5	HR	4.05	22.28
11/3/2004	TRANSPORT MOBILIZE -EX300	3	HR	120.00	360.00
11/3/2004	FUEL SURCHARGE	3	HR	2.50	7.50
11/3/2004	4-WHEELER W/SPREADER	2.5	HR	20.00	50.00
	MILLER COMPANIES	1		1,187.40	1,187.40
11/4/2004	FOREMAN	9	HR	42.25	380.25
11/4/2004	CAT 14 GRADER	2	HR	105.00	210.00
11/4/2004	FUEL SURCHARGE	2	HR	4.05	8.10
11/4/2004	CAT D&M DOZER	7.5	HR	70.00	525.00
11/4/2004	CAT D&M DOZER	7.5	HR	4.05	30.38
11/4/2004	300 EXCAVATOR	5	HR	120.00	600.00
11/4/2004	FUEL SURCHARGE	5	HR	4.05	20.25
Signed By: _____				SUB-TOTAL	\$34,834.29
				TAX	\$0.00

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